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[US/US]: 50 West 34th Street, Suite 7B1, New York, NY  
10001 (US).

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(74) Agent: **SOFER, Joseph**; Sofer & Haroun, LLP, Suite  
1921, 342 Madison Avenue, New York, NY 10173 (US).

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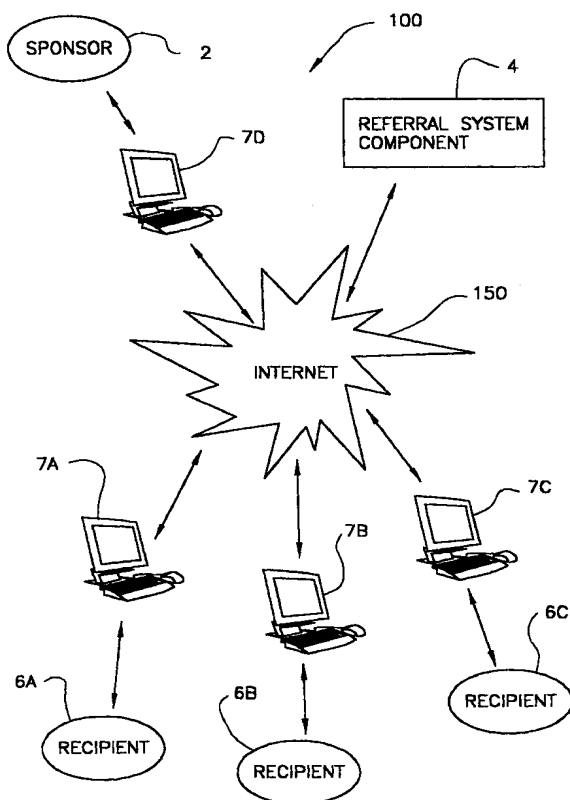
(71) Applicant (*for all designated States except US*): **REFERRALS.COM** [US/US]; 959 8th Avenue, New York, NY 10019 (US).

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(72) Inventor; and  
(75) Inventor/Applicant (*for US only*): **CHIN, Woodrow**

[Continued on next page]

(54) Title: METHOD FOR ENLISTING AND REWARDING AGENTS FOR ASSISTING WITH LEAD GENERATION AND TRANSACTIONS



(57) Abstract: A reward-based lead generation and transaction system is provided, comprising a sponsor (2) component, a referral system component (4) and a plurality of recipient components (6a, 6b, 6c). The system of this invention, according to one embodiment of the invention, is employed to fulfill business needs and opportunities over the Internet. The sponsor component represents the sponsor who wishes to have such a need or opportunity fulfilled. The recipient components represent the many recipients who assist with the referral process, eventually locating a recipient in the chain of referrals who is interested in closing a deal with the sponsor. Both the sponsor and recipient components are each configured to interact with the referral system component, which in turn is configured to employ the necessary elements of the transaction and referral process. The sponsor, such as an individual or corporate entity, typically contacts the referral system when a business or personal opportunity or transaction needs to be fulfilled.

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METHOD FOR ENLISTING AND REWARDING AGENTS FOR ASSISTING WITH  
LEAD GENERATION AND TRANSACTIONS

## Related Applications

This application is based on and claims priority to Applicant's U.S. Provisional Patent

5   Application 60/170,113 filed on December 10, 1999, and Applicant's U.S. Patent Application  
09/524,455 filed on March 10, 2000, both of which are incorporated by reference herein as fully  
as if set forth in their entirety.

## Field of the Invention

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This invention relates generally to the field of sales and marketing, and in particular, to a referral  
system for fulfilling business or personal opportunities, including the acquisition of needed  
information as well as the identification and qualification of potential target clients, customers,

15   or partners in a transaction.

## Background of the Invention

As the world continues to tap into the exponentially increasing infrastructure of the Internet, new technologies and efficiencies are swiftly arising. For example, e-commerce (electronic commerce) now enables individuals or corporations to instantaneously view and purchase items on-line without leaving the home or office. Furthermore, e-mail (electronic mail) offers rapid communication means between individuals anywhere around the world. In fact, yet additional methods are becoming available that may extend the present technologies such that remote individuals can virtually interact as if they were physically at the same location.

Indeed, the currently acceptable models of doing business and executing transactions will alter significantly if location and physical presence become insignificant factors. Perhaps, successful ventures will no longer require sophisticated offices or well-dressed businesspersons, as these go unnoticed in a virtual world. Moreover, the saved resources from using computer simulations and other automated features may enable the smaller company, or even individual, to compete on a seemingly equal level as the a entity.

Despite advances in marketing and advertising, personal references are still a significantly used resource for getting business and information in many industries. However, with the ever-increasing pace of life this form of marketing for referring business, information, and / or obtaining necessary leads for generating business transactions is losing ground. In addition, there is no organized method for facilitating the referral process, for example by providing an incentive for a group of people to participate, and many are avoiding this line of business for that very reason. As a result, processing transactions and locating information is now a more

expensive endeavor.

Illustratively, at present, a company that wishes to hire a new employee may go to an agency for help to find the right person or persons for the job. Typically, the agency would be expected to charge a considerable commission or fee for satisfaction of such service. Naturally, it would be very desirable to fulfill the same service transaction at a reduced cost via a referral system, potentially obtaining the exact information offered by the agency, such as names of qualified employee candidates. Similarly, individuals looking to execute other transactions, such as the sale of a house, fulfillment of a contract, etc., would likely prefer a transaction model that provides the needed information via less expensive and more efficient means.

Thus, what is needed is a referral business such that brokers, agents, and other service companies are no longer exclusive providers of information that lead toward fulfillment of a transaction. What is also needed is an incentive based system to facilitate the organized formation of referrals, wherein differently sized businesses as well as individuals are encouraged to enter the referral business knowing that any referrer regardless of size or sophistication can provide input and effort with confidence that the most valued information will be rewarded.

## Objects and Summary of the Invention

It is thus a general object of the present invention to provide a system and method for enlisting agents to assist with lead generations and transaction fulfillment.

A more specific object of the invention is to provide a system and method for enlisting agents to assist sponsors in finder's fee based lead generations and transaction fulfillment.

Yet another object of the invention is to provide a reward-based lead generation and transaction  
5 system via the Internet, wherein agents assist sponsors with the fulfillment of one or more projects.

In accordance with one object of the invention a reward-based lead generation and transaction system is provided, comprising a sponsor component, a referral system component, and a  
10 plurality of recipient components. The system of this invention, according to one embodiment of the invention, is employed to fulfill business needs and opportunities over the Internet. The sponsor component represents the sponsor who wishes to have such a need or opportunity fulfilled. The recipient components represent the many recipients who assist with the referral process, eventually locating a recipient in the chain of referrals who is interested in closing a  
15 deal with the sponsor.

Both the sponsor and recipient components are each configured to interact with the referral system component, which in turn is configured to employ the necessary elements of the transaction and referral process. Thus, the referral system of this invention is configured to  
20 operate as a medium between the sponsor and the plurality of recipients. The sponsor, such as an individual or corporate entity, typically contacts the referral system when a business or personal opportunity or transaction needs to be fulfilled. Such opportunities or transactions may include, for example, a job opening, a house or commercial property for sale, a request for services, etc. Initially, the sponsor contacts the referral system and places a request for referrals.

Once the request for referrals has been placed, one or more recipients, such as sales agents, are contacted, wherein those recipients may contact yet further recipients, and so on. Ultimately, one of the recipients accepts or proposes acceptance to the opportunity or transaction, fulfilling the objective of the original sponsor. A completed transaction may result in one or more rewards being distributed to the recipients involved in the chain of communication between the sponsor and the final recipient.

In essence, the referral system provides a secure and confidential medium to communicate and interact with agents in order to fulfill a transaction. As will be explained in more detail below, the structure utilized by this invention enables recipients of any size to effectively interact with the referral system and the sponsor on a seemingly equal basis via the Internet. Thereafter, a reward may be distributed to those who perform the most valuable service or provide the desired information. Not only does this model reduce costs to the sponsor, it also increases efficiencies and broadens the scope of agents so that a more satisfactory objective is achieved.

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The above description sets forth rather broadly the more important features of the present invention in order that the detailed description thereof that follows may be understood, and in order that the present contributions to the art may be better appreciated. Other objects and features of the present invention will become apparent from the following detailed description considered in conjunction with the accompanying drawings. It is to be understood, however, that the drawings are designed solely for the purposes of illustration and not as a definition of the limits of the invention, for which reference should be made to the appended claims.

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## Detailed Description of the Drawings

In the drawings in which like reference characters denote similar elements throughout the several views:

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FIG 1a shows the overall structure of the transaction system of this invention, according to one embodiment, configured to operate via the Internet;

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FIG. 1b shows a block diagram of the referral system having logical groupings of business functionality, according to one embodiment of the invention.

FIG. 2 illustrates an entity-relationship data model, according to one embodiment of the invention;

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FIG. 3 illustrates a flow diagram of the relevant steps used by the referral system of this invention throughout the flow of a project transaction, according to one embodiment of the invention; and

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FIG. 4 shows an example interaction diagram, wherein a sponsor is shown fulfilling a project request via the referral system of one embodiment of this invention.

## Detailed Description of the Invention

With initial reference to Fig. 1a, a reward-based lead generation and transaction system 100 is



shown according to one embodiment of the invention, for enabling individual users and entities (referred to herein as 'sponsors') to fulfill business needs and/or personal opportunities over the Internet. The fulfillment of such needs and opportunities is accomplished via agents and other participants (referred to herein as 'recipients'), as will be described in more detail below. It is understood that the embodiment described herein with reference to Fig. 1a represents but one transaction system according to one component model and is not limited as such. For example, according to one embodiment of the invention, the lead generation and transaction system of this invention can employ telecommunication links other than the Internet.

Transaction system 100 comprises a sponsor component 2, a referral system component 4, and a plurality of recipient components 6a-6c. Furthermore, recipients 6a-6c as well as sponsor 2 are each configured to interact with referral system component 4 via Internet component 150, by utilizing computer systems 7a-7d, respectively. According to one embodiment of the invention, the interaction between referral system 4 and the computer systems 7a-7d is facilitated via electronic mail (e-mail).

Generally, for any given transaction, referral system component 4 is configured to operate as a medium between the sponsor and the plurality of recipients. The sponsor, such as an individual or corporate entity, typically contacts the referral system when a business or personal opportunity or transaction needs to be fulfilled. Such opportunities or transactions may include, for example, a job opening, a house or commercial property for sale, a request for services, etc. Initially, the sponsor contacts the referral system and places a request for referrals. Once the request for referrals has been placed, one or more recipients, such as sales agents, are contacted, wherein those recipients may contact yet further recipients, and so on. Ultimately, one of the

recipients accepts or proposes acceptance to the opportunity or transaction, fulfilling the objective of the original sponsor. A completed transaction may result in one or more rewards being distributed to the recipients involved in the chain of communication between the sponsor and the final recipient.

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Thus, it is the task of the referral system component to provide an environment for sponsors to create such projects as well as keep track of and facilitate the transmission of all referral communications relating to each of these projects. According to one embodiment of the invention, the referral system component keeps track of sponsor and recipient activity by forcing  
10 all communications to originate at the referral system component. Therefore, if a recipient, for example, wishes to view a project, forward a project to another recipient, or even contact the sponsor to fulfill a project, he or she must first log on or otherwise contact the referral system component to provide a record of the activity that took place. As will be explained in more detail below, this process enables the system of this invention to accurately and fairly distribute  
15 rewards, as well as maintain confidentiality and enforce various predetermined business rules.

The above-mentioned interactive process of contacting and forwarding referrals to recipients may be employed, according to one embodiment, by e-mail, wherein sponsor 2 and one or more of recipients 6a-6c electronically transmit e-mail messages and otherwise communicate with  
20 each other via referral system component 4 and Internet component 150. In essence, the referral system provides a secure and confidential medium to communicate and interact with agents in order to fulfill a transaction. As will be explained in more detail below, the structure utilized by this invention enables recipients of any size to effectively interact with the referral system and the sponsor on a seemingly equal basis via the Internet. Thereafter, the reward is distributed to

those who perform the most valuable service or provide the desired information. Not only does this model reduce costs to the sponsor, it also increases efficiencies and broadens the scope of agents so that a more satisfactory objective is achieved.

5 With reference to Fig. 1b, referral system 4 is shown and discussed in more detail. Referral system component 4 comprises modules 8-26, including a project manager module 8, which is configured to store and manage the information that describes the opportunity (project) being presented. Sponsor 2 typically initiates a project by contacting project manager 8, via connection 102, and providing the desired information. According to one embodiment, the  
10 transfer of information via connection 102 is facilitated with an Internet connection.

In addition to general descriptive information, project manager module 8 is also configured to obtain and store detailed information, such as project category, sponsor type, price, location, condition, etc. Any information that is necessary to convey the details and specifics of a project  
15 may be provided here. Illustratively, project category describes the type of project being created. For example, according to one embodiment of the invention, project category can comprise the categories jobs, real estate, services, software, etc. Furthermore, sponsor type may indicate whether the sponsor is seeking fulfillment or looking to fulfill a project. For example, the sponsor type for a real estate transaction may be a choice between buyer and seller.

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Naturally, depending on the project, different information will be solicited. For example, a real estate project for the sale of a residential home may require information that details the price, school district, house condition, etc. Meanwhile, a project for a job opening may request entirely different details, such as salary, experience needed, education minimums, and a description of

the position. Notably, during the life of a project any of the above-mentioned information can be changed and / or updated by a sponsor who has proper authorization to access the project.

Referral system 4 also comprises access controller module 10 and reward planner module 12,  
5 which respectively control the access levels and reward plans configured by the sponsor at the initial stage of each project. Access controller 10 is employed, based on specifications provided by the sponsor via connection 104, in order to enforce the access and privilege levels of the corresponding project. The access controller is particularly useful in situations where the sponsor is operating as a corporate entity or business concern, wherein many employees may  
10 wish to access the system. The access controller ensures that the management responsibilities for each individual representing the sponsor are broken down accurately into hierarchical privilege classes, such as access to view projects and activity (read class), access to refer or forward referral requests (refer / forward class), or full management access to update project attributes (full management class), etc. Individual recipients can also have different access  
15 levels, which are controlled by the access controller. Thus, some recipients may be given the ability to forward a referral request, whereas others are only able to respond to one.

Reward planner 12 is employed when the sponsor starts a project, via project manager 8, wherein the sponsor is asked to specify a reward plan. Once specified, the reward plan is  
20 subsequently forwarded to the reward planner via connection 118, and is in turn forwarded to a pay in / out engine 14, via connection 122, which keeps track of the project and determines the precise recipients, if any, who should receive the different portions of the reward. A reward plan, as will be described below, is useful for providing incentives for recipients to assist with the fulfillment of a project.

Reward planner 12 assists both the sponsor and the system with generating different types of reward plans, such that each project can have different and distinct forms of compensation or incentives that are offered to recipients. Often, the incentive aspect of the reward plan is based on rewarding the recipients who were most helpful with the fulfillment of the project. Therefore, a common reward plan may be to pay the recipients closest the fulfilling party in the chain of referrals. Of course, according to one embodiment of the invention, the reward plan can be customized in any fashion that is desirable to the sponsor. Such customizations may include: (1) Forward – a reward creating an incentive to forward the opportunity a minimum number of times; (2a) Respond – a reward creating an incentive to respond to an opportunity, e.g., sending in a resume for a job posting; and (2b) Respond – a reward to referrers when someone responds (3) Fulfill – a reward creating an incentive to people in the referral chain to get the deal closed (e.g., a hire in a job posting).

It is also noted that, according to one embodiment, the reward planner can also incorporate system limitations and / or other rules or restrictions. These include (1) Levels – the minimum and maximum referral levels or generations for which rewards are given. E.g., a forward reward can be limited to referral levels greater than one but less than three; (2) a limit to the number of people that each person can forward the opportunity to; and (3) Total Limits – the total number or dollar limit of rewards to be paid out.

For example, a plan can limit the number of forward rewards to ten. Also, the system can establish other standards, such as minimum reward levels for each project category. For example, a bounty minimum of \$1000 can optionally be set by the system for the project

category “Real Estate.” Minimum rewards enable the system to maintain the quality of projects, as well as encourage professional recipients and referrers to utilize the system, etc.

Once the project is fulfilled, sponsor 2 notifies a pay in / out engine module 14 of the fulfillment, via connection 116, so that the reward can be distributed. Pay in /out engine 14 may contact reward planner 12, via connection 122, to retrieve any needed reward data. Pay in /out engine component 18 also monitors the progress of projects, calculates the appropriate rewards and fees, and manages the payment and receipt of those, respectively. According to one embodiment, the functions of this component include: (1) monitoring user progress towards referral forwarding requirements; (2) tracking and alerting interested parties about status of responses, e.g., “Participant X has responded to Opportunity 123 and has indicated that a deal has been completed;” (3) calculating awards as per project, company and reward plan specifications; (4) sending invoices according to project status and contracts specified with each sponsor (also contained within this component); (5) allowing sponsors to view and dispute line items and communicate discrepancies directly in the system; and (6) sending awards to referral chain according to business rules and user specified form of reward payment (e.g., cash, gift certificates, charity) and mode (e.g., e-mail, electronic, physical).

Referral system 4 further comprises an information escrow manager module 20, which is configured to use business rules, user preferences, and event-specific user permissions to disclose collected information to various parties. Illustratively, the following is an example listing of business rules used by the system: (1) Sponsors cannot see the identities of people who are referred – except when those people choose to respond; (2) Recipients can only see who the sponsor is and who sent the referral request to them – the possible referrers between the sponsor

and the last sender are hidden; and (3) Free agents can only view published projects for which they qualify (primarily driven by their referral performance).

5 Generally, sponsor 2 and the plurality of recipients 6a-6c communicate with each other through the information escrow manager, via connections 106 and 110, respectively. The information escrow manager ensures, among other things, that confidential information is kept hidden from those who are not meant to have access to it.

10 Often in the off-line world, when one makes a referral, he gives information to both other parties involved, referred to herein as a referral reference. For example, the referrer would tell his friend about a job opportunity and tell the sponsor something about his friend, such as "I know him from school and I heard he's doing great things in the computer industry." As such, in the proposed system, when a referrer sends an opportunity to a colleague, the referrer has an opportunity to send a referral reference "upstream" back to the sponsor. This piece of  
15 information would be for the benefit of the sponsor exclusively, and as such would not be available to anyone else.

Moreover, when a person receives a referral, the information escrow manager ensures that they only see whom the message was from, as opposed to all the people upstream. According to one  
20 embodiment, they may have access to some upstream information, such as the sponsor information. Also, the information escrow manager can be configured so that a sponsor cannot see any contact information beyond their immediate contacts (the initial recipients that they sent the referral request to). Thus, they cannot contact people downstream; the people downstream must opt to initiate contact with the sponsor through the system. It is understood that the system

and / or sponsor, according to one embodiment of the invention, can modify the above-mentioned privacy and business settings as desired.

Information escrow manager comprises an identity manager module 26, a messaging engine  
5 module 22, and a message profiler module 24. Identity manager module 26 manages the multiple identities and roles that an individual member may have. For example, one user may have received referrals for several projects, each going to a different Internet e-mail address. This component keeps track of the relationship between an individual and their multiple identities so that the system does not mistakenly believe that each e-mail address corresponds to  
10 a different person.

In addition, the identity manager module also tracks the relationships between the e-mail identities and sponsoring organizations. Sponsoring organizations can add employees as new users to the system, with various privileges in the context of the organization, e.g., ability to  
15 create projects. Each employee added must have a unique company e-mail address. As such, the identify manager can determine a user's relationship with respect to a sponsoring organization.

Given that a "user" is one real person, she may choose to link other e-mail addresses to her account, e.g., personal addresses in addition to corporate addresses. When she logs into the  
20 system, we will know who she is and also know all the e-mail addresses or "identities" that she uses.

A user can further specify which e-mail identity or contact information to be used as the primary contact location, as well as secondary, tertiary, etc.



Messaging engine 22 physically distributes outbound referrals and inbound responses. It works closely with a message profiler 24, described below, to ensure that the mode, timing, formatting, addressing etc. conform to both sender and recipient preferences and desires.

- 5    Message profiler 24 manages the user preferences for receiving and sending messages. It includes features that control anonymity, mode, timing, formatting, addressing, frequency, etc.

Referral system 4 also comprises a publishing engine module 16 and a subscription engine module 18 for assisting with the referral process when a project is started. Publishing engine 16  
10   retrieves some of the data from project manager 8, via connection 120, to determine where and when an opportunity (project) should be published. Depending on the project, sponsor 2 may decide to broadcast the project information to as many people as possible, or alternatively to confidentially release it to a few select recipients. Illustratively, projects may be published to:  
(1) a private intranet of the sponsoring organization; (2) an internet (public) site of the  
15   sponsoring organization; (3) a category section of the entire system's web site; or (4) only qualified persons so that access is restricted on the public listings. According to one embodiment, selection of such qualified persons can be based, among other things, on performance ratings (objective), or network comments and ratings (subjective), for example.

- 20   Subscription engine module 18 works with the publishing engine to send published content directly to recipients. It allows the recipient to control when, how and what information or projects they receive, subject to publishing access controls. For example, a recipient can control which opportunities (projects) are sent to them by specifying: (1) minimum reward size of the opportunity; (2) category of the opportunity; (3) sponsor of the opportunity; (4) etc. In addition

a user (recipient) can specify the mode (e-mail, hard-copy, fax, phone, etc.) and the frequency of notifications, where frequency can be defined by a time period or a threshold value of queued opportunities.

- 5 It is understood that, according to one embodiment of the invention, some or all of connections 102-124 can be implemented electronically via a computer or Internet system. For example, as illustrated and described above with reference to Fig. 1a, according to one embodiment of the invention, the Internet and a plurality of computer systems 7a-7d (Fig. 1b) facilitate the communication process of some or all of connections 102-124. Furthermore, according to
- 10 another embodiment, one or more of connections 102-124 are facilitated via non-electronic systems. For example, the transfer of cash rewards or other payments via pay in/out engine 14 can be facilitated by a standard physical delivery configuration implemented by connections 114 and /or 116.
- 15 Notably, according to one embodiment of the invention, as will be described in more detail below, various features and benefits are provided by referral system 4. For example, the referral system can perform an escrow function for both information and financial rewards. This structure provides for a neutral and reliable method for keeping track of referrals, related information and comments, as well as monetary transactions. Such information may be
- 20 selectively controlled by the referral system to limit revelation of information when necessary.

Also, the project manager component can define breadth and depth limits for referrals. Such limits prevent referrals from being carelessly forwarded to an unlimited number of recipients. Breadth refers to the number of referrals each recipient may forward. Depth refers to the total

number of recipients allowed in any given referral chain. For example, a project can be defined as having maximum breadth = 3 and maximum depth = 4. In such a case, each recipient will only be allowed to forward an opportunity to three (3) persons. Further, the referral chain is only allowed to propagate four (4) layers deep.

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Thus, to enhance the assessment quality of the referral process, the system can be configured to allow control of the breadth and depth of message propagation on at least 2 dimensions: breadth and depth. Sponsors can limit the number of people to whom recipients can forward referrals (breadth) and the number of generations away from the sponsor that the referral is allowed to travel (depth).

10

This is a useful feature, since agents may otherwise be prompted by the reward system to forward projects or opportunities to an unlimited number of recipients. Specifically, limiting the number of forwards forces the person to provide additional consideration in the process.

15 Limiting the depth of propagation also controls quality of referrals as it allows the sponsor to seek people who are "close" to his or her circle of associates.

20 With reference to Fig. 2, an entity-relationship data model 200 is illustrated, according to one embodiment of the invention. Fig. 2 illustrates the process of establishing a database system and creating various one-to-many, many-to-many, and one-to-one relationships among the included objects and tables in accordance with one embodiment of the invention. Briefly, this figure may correspond to database relationships within a database system implementation of this invention, according to one embodiment.

Entity relationship model 200 comprises project module 202, which is configured to store information related to individual projects, such as a job opportunity, real property for sale, or a service offered or sought. Project module 202 may additionally have database relationships via links to one or more of a plurality of other modules, such as messages module 208, e-mail  
5 addresses module 244, etc. It is understood, according to one embodiment of the invention, that such database relationships via links can be implemented via any one or more of modules 202-252. According to one embodiment, project type module 206 stores the different categories of projects that are supported by the system, such as jobs, real estate, services, etc.

10 Client module 248 stores data corresponding to the users, recipients, sponsors, and corporations of the system. Within client module 248, company module 250 is employed to store data corresponding to sponsor organizations. The structure of company module 250 is necessary for companies that wish to have multiple user access accounts for their many employees, all under one account 'umbrella.' Member module 250 stores data corresponding to any user or recipient  
15 of the system. As mentioned above, anyone who receives a referral request is automatically entered as a user of the system, via member module 250.

E-mail address module 244 stores all unique e-mail addresses that are used by members.

Notably, as described herein, one task of this system is to identify multiple e-mail addresses that  
20 all belong to one user. Role module 246 stores e-mail addresses that a user may have in the context of a particular company or organization. According to one embodiment of the invention, contact module 242 is provided to support a contact list or address book feature. Work group module 232 may be employed to combine many users or e-mail addresses into one logical group. This feature is facilitated via group assignment module 230, which allows users to assign

individual users or e-mail addresses to a particular work group. Similarly, project access rule 228, allows a project owner, manager, or sponsor to grant specific privileges, such as read, manage, forward, etc., on a particular project, to individual users or members of work groups or projects.

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Rating module 240 is employed to enable users or members to subjectively rate and view ratings of other members, sponsors, or corporations.

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Pricing plan module 224 is employed to determine the parameters and constraints that drive the pricing and reward plans for a project. According to one embodiment, this includes, minimum prices, minimum fees, etc. for a project type and /or a company. Contract module 236 associates a particular pricing plan to a corresponding company.

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Interest module 238 allows a user to specify an interest in certain project types, wherein the system may subsequently alert that user with projects that he may be interested in fulfilling as a free agent. Similarly, member location module 226 allows a user to be associated with one or more geographical locations of interest. Location module 234 stores data corresponding to the geographical locations and classifications of the system. Notably, project location module 222 associates individual projects with a corresponding location.

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Message module 208 is configured to store all communications within the system, such as communications between users and recipients, communications with the system, with the sponsor, etc. Within message module 208, response module 214 is employed specifically for messages between users and sponsors relating to transaction intent or fulfillment of a particular

project. Referral module 216 is employed specifically for user referral communications, where an opportunity is forwarded to a recipient who in turn is requested to respond to the opportunity or forward the opportunity to yet another individual.

- 5    Reward decay plan module 220 is configured to determine how the total reward pool is split among participants in the successful chain, according to one embodiment of the invention. For example, a 50% decay plan represents a decrease in the reward plan of 50% for each degree away from the final referral in the referral chain. Illustratively, a referrer that is two degrees away in the referral chain will receive 25% of the reward (50% of 50%), etc.

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Payment module 204 stores any financial transaction that is a consequence of a project and its related activities. Receivable module 212 stores financial transactions where the operator of this system is due a payment from a sponsor of a project. Payable module 210 stores financial transactions where the system owes payment(s) to participants in a successful referral chain.

15

The method of using referral system 100 to provide a method for enlisting agents to assist a sponsor with the execution of a transaction, as described above according to one embodiment of this invention, will now be explained with reference to FIG. 3, which illustrates a flow diagram of the relevant steps used by the authoring system of this invention.

20

Initially, at steps 300 and 302, the referral system enables the sponsor to sign up as a member and generate a corresponding project. Typically, as described above, project manager 8 is employed to generate projects such as this one, wherein the sponsor provides details of the transaction or service that needs to be executed. For example, the sponsor may create a project

that requests consultant services or alternatively a project that seeks a buyer for the sale of a house. According to one embodiment, the actual identification of the sponsor and / or specific details of the project are not revealed to the recipients so that they are forced to interact with the referral system in order to fulfill the project terms.

5

As mentioned above, an individual becomes a sponsor of a project by first creating an account with the referral system. According to one embodiment, the minimum information required by project manager 8 is name, username, password and contact information. Also, according to one embodiment, a payment method for the project reward may be required as well as

10 acknowledgement to certain legal terms, such as the binding effect of an electronic or other contract.

An organization, such as a commercial concern, becomes a member, according to one embodiment, by signing a contract with the system operator. Basic information about the entity  
15 will be part of the account, such as payment method. In addition, one or more special users may be assigned authority to create other users, grant rights to create projects and authorize payments, etc.

According to one embodiment, a sponsor / user creates a project by specifying the nature of the  
20 project and by providing details of the projects. For example, a user may wish to sell his home. According to this example, he would most likely enter pertinent details about the home, including location, price, age, school district, etc. The type of information collected can be different for different types of projects, e.g., job searches, professional services offered, product sought etc.

Also at step 302, the sponsor must specify a reward plan for each project, which includes the amount of a monetary or other reward that a participant will receive when he or she: (1) forwards a referral; (2) responds to a referral; or (3) participates in a referral chain (by a series of forwards after her forward). In addition, the system allows sponsors to define many attributes of the  
5 finders fee reward plan, including amount given to participants for the type of action and by their degree of association to the final deal.

At step 304, the referral system provides subscription and publication options so that the project can be forwarded out to recipients, according to the preferences of the sponsor. Of course, as  
10 noted above, the sponsor may chose to forward the referral requests to a private group of recipients as well, and may choose to limit referral activity, such as with breadth and depth limitations, etc.

A sponsor may choose to publish a project if he does not know enough people first-hand to seed  
15 the search. In such cases, he can let anyone see the listing or can discriminate who gets to view the information based on criteria such as: (1) company affiliation; (2) location; (3) track record of filling assignments (by category as well); (4) community rating of the person; (5) etc.

According to one embodiment, a user can choose to receive notifications of published projects.  
20 By doing so, she becomes an active “free agent” of sorts. Thus even if a sponsor does not know her, she can receive a project request and use her contacts to try to fill the request. Typical subscription attributes may include the category of the project, location, and award size, etc.

In addition to subscribing to published projects, a user can search and browse listings. These



listings may appear on company specific bulletin boards and web sites or on the systems main bulletin board. These listings may automatically discriminate access to individual listings by applying the rules that the sponsor applied to the project. According to one embodiment, the system will automatically restrict access to users who do not qualify to view the project.

5

Based on the options selected by the sponsor at step 304, the sponsor then, at step 306, forwards out referral requests to the selected recipients. Referral requests, according to one embodiment, are e-mail transmissions comprising a brief summary of the project and hypertext links or other means directing the recipient to the referral system where more information is available.

10 According to one embodiment, all interactions are facilitated via the referral system so that this invention can track the entire referral process. For example, information escrow manager 20 can track all recipient responses, including simple requests for information, to provide feedback to the sponsor or the referral system for future use. Thus, a sponsor may change his or her list of initial recipients if it is discovered that a very small percentage from that list have a history of  
15 responding to the referral request for further information.

The information escrow manager module 20 is now utilized to ensure that the referral requests are sent to the proper destinations and in the proper formats. For example, identity manager 26 identifies the name and location of the recipients and the messaging engine 22 and the messaging  
20 profiler 24 distribute the message as well as provide proper formatting, timing, etc.

It is noted, that according to one embodiment, the sponsor can have referral requests sent automatically to a list of recipients stored in the referral system. The publishing engine 16 and the subscription engine 18 can be utilized to transmit referral requests, as described above.

Moreover, the sponsor / user, and others who have the correct permissions, may forward a project referral request to people who, in their opinion, might be interested in the opportunity and/or knows someone who might be. According to one embodiment, such referral forwarding is accomplished via the Internet by accessing one or more web pages on the referral system web site. For example, selecting a potential recipient in such a manner may generate an e-mail message that gets transmitted to the recipient.

According to one embodiment of the invention, referral requests for opportunities (projects) can be sent to recipients (push model), or sponsors can take advantage of the community of active referrers to help them with their project (pull model).

In the push model, a sponsor sends the referral only to a set of specific recipients. In the pull model, a sponsor posts a description of the opportunity in a public or private venue (such as a web page or a classified section of a newspaper) and readers can self-select to forward the opportunity.

In the pull model, sponsors can control which active referrers can participate based on a number of attributes including location, qualifications, community ratings, affiliations, and performance ratings calculated by the system.

At step 308, the recipients receive the referral requests, wherein they may contact the referral system to review further information corresponding to the referral and decides to either respond to the request, ignore the request, or forward the request to another recipient. Access controller ensures that only authorized users have access to the project. This process continues until a

determined period, such as a pre-defined time limitation, or until one of the recipients successfully responds to the request.

Recipients most frequently do not open accounts in the same manner as the sponsors, since they  
5 are often introduced to the referral system via referral requests from sponsors or other recipients.  
Therefore, the first time a recipient receives a referral request (message) from the system, the  
system generates an account based on his or her e-mail address, etc. According to one  
embodiment, recipients who receive multiple referral requests (messages) for various projects  
can consolidate their multiple identities within the system into one logical user account. The  
10 identity manager 26 assists with this task, as described above.

According to one embodiment, a recipient receives an e-mail message that includes a hyperlink  
or URL that leads him to a web page having additional information about the project, including  
the reward plan and the sponsor's background.

15 On this web page the recipient is given the opportunity to either forward or respond to the offer.  
To forward a referral, the user simply types in a brief message to the eventual recipient and  
specifies the recipient via an address, such as an e-mail address. The user may also provide  
some information about the recipient to the sponsor and to upstream referrers. This information  
20 is generally not shown to the recipient. A recipient of a referral request can respond by  
indicating their interest, contact information, and other descriptive information and file  
attachments (such as a resume if it the project is for a job).

As mentioned above, each recipient of a referral request can choose to forward or respond to the

particular opportunity. The reward plan specifies the reward amounts associated with forwarding, responding and participating in a chain that ultimately leads to a closed transaction. When a recipient responds to the opportunity, he does so by providing the sponsor with his contact information. When a deal is closed, the recipient is motivated to notify the system of the deal closure event by a reward and because he knows that people in the referral chain (some of whom he may know) will receive a reward.

According to one embodiment, the system is structured such that the sponsor is contractually obligated to close the deal. He is also discouraged from renegeing on the contract, as he will receive negative ratings from the community. Once the deal closure is established and agreed upon by sponsor and recipient (respondent), the system automatically calculates appropriate fulfillment rewards and sends them to the persons in the referral chain.

At step 310, the referral system allows both the sponsor and the recipients to review or track the status of the project and corresponding referrals. Of course, the sponsor, as well as certain recipients, may have access to information or data that others do not.

Thus, a sponsor of a project can view the progress of his or her project. According to one embodiment, one view is a tree view in which each first level contact generates a “tree” of children and grandchildren nodes and so on. Only the identity of the first-level contacts and respondents may be shown for privacy reason.

Each recipient who forwarded a referral can also view the propagation path of the referral from his point in the chain and below. The same privacy rules described above may apply as well. In

addition, the respondent's identify may or may not be shown, though the fact that someone has responded is shown.

At step 312, the referral system receives a response from one of the recipients, satisfying the sponsor's project terms, wherein the deal is closed and the rewards, if any, are distributed. The system automatically calculates and generates rewards to eligible participants. Users are typically notified via e-mail of their reward and are given the opportunity to select the type of reward including charity donations.

At step 314, feedback is provided to the referral system so that the performance of referrers (recipients) can be ranked, as well as the performance of the sponsor. Users, both in the role of sponsor or general user (recipient), can objectively rate the performance and integrity of someone with whom they transacted in some fashion. A free form text message and / or a numeric score are possible implementations.

The ranking information is useful for subsequent projects, wherein during any part of the referral viewing, forwarding, responding and transacting process users can view other participants' performance ratings to help them gauge the integrity of the potential transaction.

According to one embodiment of the invention, the referral system can be configured to continually calculate the "batting average" of each participant to help sponsors determine which users to contact for projects. This performance metric can include a person's involvement in a response several generations away from the person. For example, if A referred B and B referred C, if the sponsor hires C, then A is given partial credit but less credit than B would receive.

Conversely, if the sponsor rated C as a poor match, then B would incur the greatest “damage” to his score, and A would also receive a negative score, but of smaller impact to his overall score. Also, the invention can allow users to store references (or testimonials) for sponsors that can be retrieved by the sponsor or the sponsor’s potential customers to facilitate the selling process.

5

With reference to Fig. 4, the operation of one example embodiment of the invention is now depicted, via an interaction diagram showing the flow of a sponsor creating and fulfilling a project transaction via the referral system of this invention. Fig. 4 shows a sponsor / user, namely recruiter@XYZ.com ( an employee of XYZ Corporation), as well as three recipients, namely Moe@qwerty.com, Groucho@mail.com, and chico@mail.com.

10

It is noted that this figure corresponds to one embodiment of the invention, wherein sponsors and recipients are identified by their electronic mail (e-mail) addresses. It is understood, however, that the system of this invention is not limited as such and that user identification as well as corresponding communication means can be facilitated via technologies other than e-mail.

15

Initially, at step 400, the sponsor XYZ is shown accessing the referral system in order to create a project and associated reward plan. Sponsor XYZ is then shown sending referral requests for the created project to Moe. Notably, the referral request, as well as all subsequent communications is processed via the referral system.

20

Thereafter, at step 402, the first recipient Moe receives the e-mail (referral request) describing the opportunity and rewards. The e-mail invites Moe to contact the referral system for more detailed information. Moe contacts the system, views the opportunity, but chooses not to

respond. Rather, he forwards the opportunity to another recipient, namely Groucho. It is noted that, according to one embodiment, recipients can forward referral requests to more than one recipient. As stated above, the sponsor can create limits on the number of referral requests sent as well as rewards to encourage increased forwarding.

5

At step 404, the referral system sends the referral request from Moe to Groucho. Again, Groucho is invited to contact the system for more details on the project. Groucho contacts the system and views the opportunity but decides not to respond, rather forwarding a referral request to Chico.

10

At step 406, the referral system sends the referral request from Groucho to Chico. Chico is now also invited to contact the referral system for more detailed information on the project. It is noted, that at this point in the referral chain, Chico may not be aware that he is at the third level of the chain. The system may, according to one embodiment, only reveal the identity of Groucho, hiding all other upstream participants. Furthermore, XYZ may be aware that three recipients have been contacted, but is otherwise not shown the recipients' contact information so that he must wait for them to respond via the referral system.

15

Thus, as detailed above, a recipient, according to one embodiment of the invention, may only have limited access to the referral system and the particular project being forwarded to him or her. These security and privacy factors preserve the structure of the referral system of this invention, by preventing individual recipients from bypassing the established chain of referrals, etc. Among other things, this ensures that the rewards are distributed in the proper amounts and to the proper individuals, based on the reward configuration established by the sponsor.

20

Indeed, Chico, at step 408, is shown accepting the project established by XYZ. Thus, Chico is the one recipient in the chain of referrals successfully responding to and accepting the terms of the referral request. The sponsor then notifies the system to close the deal and pay the reward.

5 Subsequently, at step 410, the reward is distributed to the recipients in the referral chain, depending on the reward structure established by the sponsor or other person. Thus, when XYZ notifies the referral system that the project / deal is closed, the reward payments, which may have been held in escrow by the system, are distributed to Moe, Groucho, and Chico, the three recipients who contributed to the successful closing of the project. Of course, each of the three  
10 recipients may receive different reward payments based on the configurations selected by XYZ as well as possible minimum or maximum payment limits established by the referral system. As described above, reward planner 12 and pay in /out engine 18 respectively handle the tasks of generating the reward structure and receiving and distributing the reward payment.

15 It is noted, according to yet another embodiment of the invention, that sponsors can create projects that solely request information rather than the fulfillment of a transaction. For example, in business-to-business environments, a sponsor may wish to pay for a qualified lead instead of paying for a complete transaction. Indeed, many transactions in the business world are structured such that only the sponsor can satisfactorily fulfill them. Notwithstanding, the system  
20 of this invention can still be utilized to provide information and leads so that the sponsor has the tools to more quickly and efficiently fulfill the transaction him or her self. It is noted that this type of project can be utilized in many other environments as well, not only those where sponsors need to fulfill the transactions themselves. Similar to the system described above, a reward structure can be provided here as well.



Illustratively, according to one embodiment, project manager 8 can be configured to request the following information from the sponsor when initiating such a transaction. First, the sponsor provides details of the transaction and what reward will be provided to those who assist with the transaction. Second, a questionnaire is provided for the recipients as well as a target guide, so  
5 that recipients can respectively answer questions about the requested information or leads and the system can determine who qualifies and /or who would be interested in such a transaction. The referral requests are forwarded via e-mail as with the above systems. Here, however, the sponsor receives copies of the completed questionnaires and determines who has supplied the desired information. The sponsor must then purchase the desired information from the  
10 successful recipient, wherein the reward is distributed to the individuals who contributed to this execution, as above.

According to another embodiment of the invention, each user can control when and where they will receive alert messages even when the sender specified an alternative location. For example,  
15 if a message is sent to joe@fun.com, the owner of that identify may choose to have the message forwarded to joe@serious.com if that is a valid alternative identity for the recipient. Similarly, users can create subscription profiles to receive active projects that they may wish to participate in.

20 It is also noted that the system of this invention provides many features and benefits over the prior art. For example, unlike other finders fee systems, this system rewards all levels of marketing progress – leads, responses and ultimate deal closures, all in a single system. Furthermore, this invention allows anyone, as an individual or business, to participate without signing a contract (which is optional according to one embodiment).

Moreover, unlike many multi-level marketing schemes, this system does not promote blind propagation. Further, there is no disadvantage in joining a project late, as there are no static recruitment hierarchies that are established once. Rather, each project creates its own tree of participants and further even if a person joins late, if they provide the last referral that leads to a deal closure, they can receive the largest reward, not the smallest.

Users do not have to remember or type in their referrer's identification to join in the tree of participants working on a project. Each message provides an automated way to identify the order and chain of participants.

The invention can track all pertinent activity of the project. People receive alerts to visit the website where their actions can be tracked including but not limited to: (1) to who a message was sent; (2) who read the message and took some action to see more; (3) who forwarded the message and to whom; and (4) who responded to the message.

According to one embodiment, to eliminate negative perceptions of finder's fees in some situations, the system allows payment of rewards to charities.

According to another embodiment of the invention, project sponsors can create and propagate a project without any pre-payment. This may however create a certain amount of perceived risk to participants. Participants do have access to the sponsor's performance and integrity history through community ratings, if they exist. Therefore, the project sponsor can pre-pay the project reward fund in escrow and the system will display that to all participants. As an alternative, in some cases the system operator can choose to guarantee the performance of a sponsor and pay

the rewards even if the sponsor defaults.

Thus, while there have been shown and described and pointed out fundamental novel features of the invention as applied to alternative embodiments thereof, it will be understood that various  
5 omissions and substitutions and changes in the form and details of the disclosed invention may be made by those skilled in the art without departing from the spirit of the invention. It is the intention, therefore, to be limited only as indicated by the scope of the claims appended hereto. It is to be understood that the drawings are not necessarily drawn to scale, but that they are merely conceptual in nature.

## Claims

What is claimed is:

1. A method for a sponsor to fulfill a transaction with a referral system via a plurality of  
5 recipients, comprising the steps of:
  - establishing a project on said referral system corresponding to said transaction;
  - forwarding at least one referral request to at least one of said recipients, wherein said  
referral request comprises information related to said transaction;
  - managing said forwarding step, such that communication and referrals by said recipients  
10 are stored on said system; and
  - fulfilling said transaction with one of said recipients who has responded to said referral  
request.
2. The method of claim 1, further comprising the step of providing a reward to at least one  
15 of said recipients based on data from said managing step.
3. The method of claim 1, further comprising the step of forwarding said referral request  
via e-mail.
- 20 4. The method of claim 1, further comprising the step of implementing said referral system  
via the Internet.
5. The method of claim 1, further comprising the step of publishing said referral request via  
a publishing engine.

6. The method of claim 2, further comprising the step of paying said reward via a pay in/out engine module.

7. The method of claim 1, further comprising the step of said recipients forwarding said referral request to at least one other recipient of said plurality of recipients.

8. The method of claim 2, further comprising the step of depositing said reward in an escrow account.

9. The method of claim 1, further comprising the step of said recipients responding to said referral request by contacting said referral system.

10. The method of claim 9, further comprising the step of reviewing detail corresponding to said transaction on said referral system.

11. A referral system for assisting a sponsor with the fulfillment of a transaction via a plurality of recipients, comprising:

a project manager for storing information corresponding to said transaction; and

an information manager in order to facilitate communication between said sponsor and

said recipients, wherein said communication is tracked by said system.

12. The referral system of claim 11, further comprising a reward planner for rewarding at least one recipient from said recipients for fulfilling said transaction.

13. The referral system of claim 12, wherein said project manager is further configured to employ said reward planner when said transaction is fulfilled.
14. The referral system of claim 11, wherein said information escrow manager facilitates  
5 communication via the Internet.
15. The referral system of claim 11, wherein said information escrow manager facilitates communication via e-mail.
- 10 16. The referral system of claim 11, further comprising a publishing engine for forward referral requests corresponding to said transaction.
17. The referral system of claim 11, further comprising an access controller for allowing one of a predetermined number of sponsor individuals to modify said information corresponding to  
15 said transaction.
18. The referral system of claim 11, further comprising a message module for storing all communication employed via said system.
- 20 19. The referral system of claim 11, further comprising a workgroup module.
20. The referral system of claim 11, further comprising a client module for storing information corresponding to said sponsors and said recipients.

21. An Internet system for enabling a sponsor to fulfill an information request via a plurality of recipients, comprising:

a project manager module for storing on the Internet information corresponding to said information request, wherein said project manager further stores information corresponding to

5 all communications between recipients; and

an information manager module for facilitating Internet communication between said sponsor and said recipients.

10 22. The Internet system of claim 21, further comprising a business rules module for controlling access and communication among said recipients.

23. The Internet system of claim 21, wherein said information manage limits communications between recipients based on breadth and depth limitations.

15

24. The Internet system of claim 21, wherein said communication can only be employed via said Internet system.

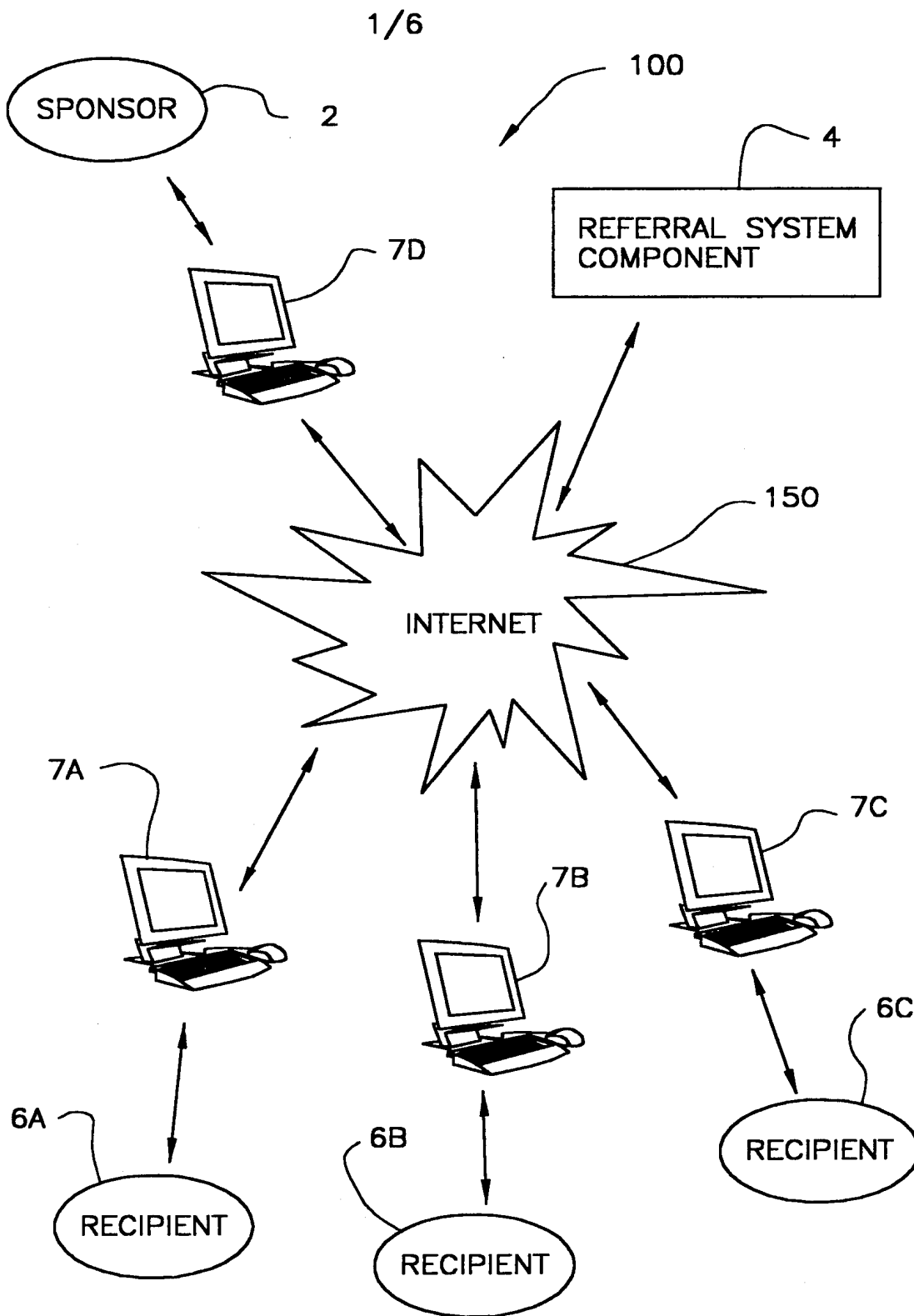


FIG. 1A



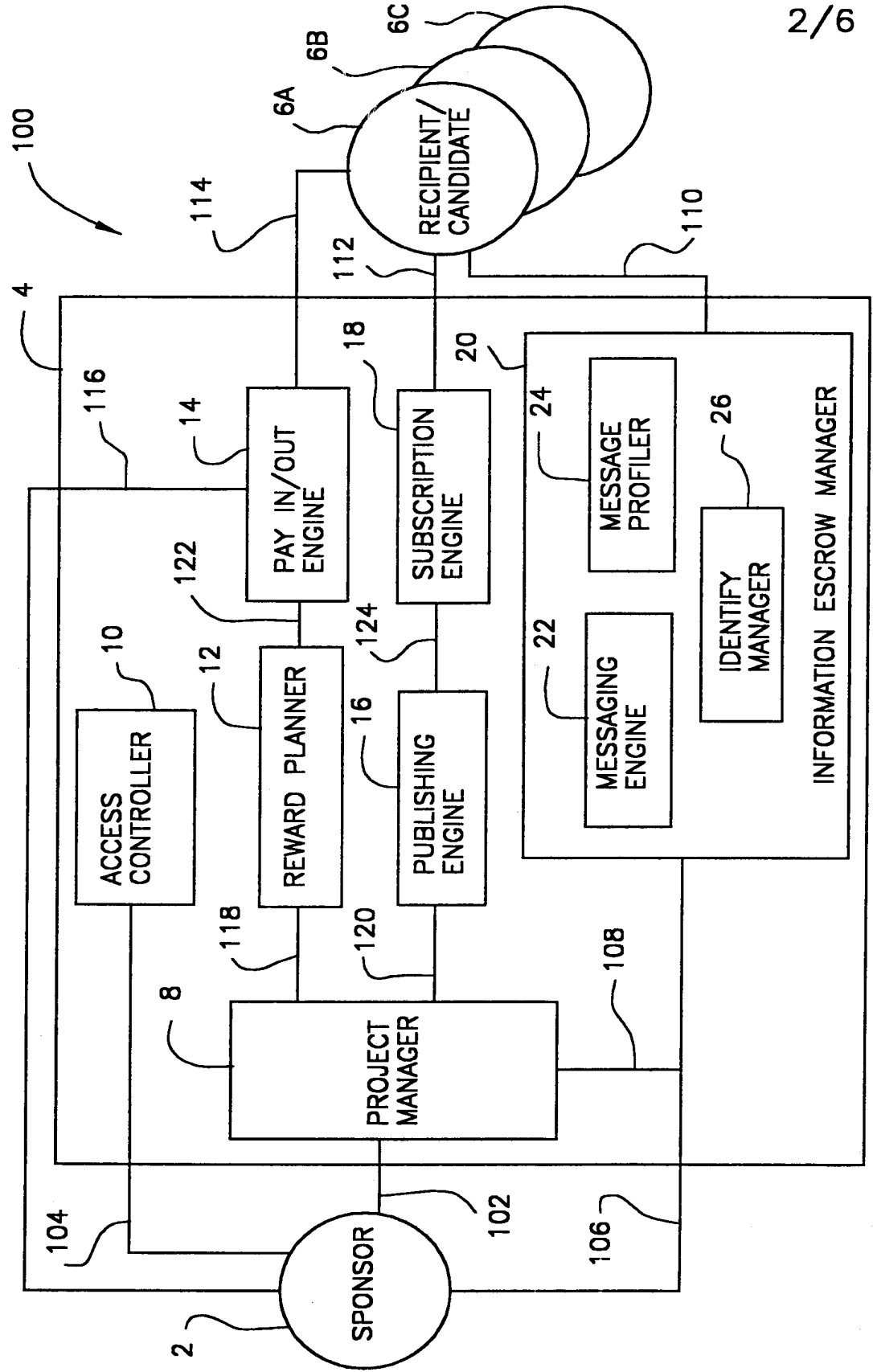


FIG. 1B

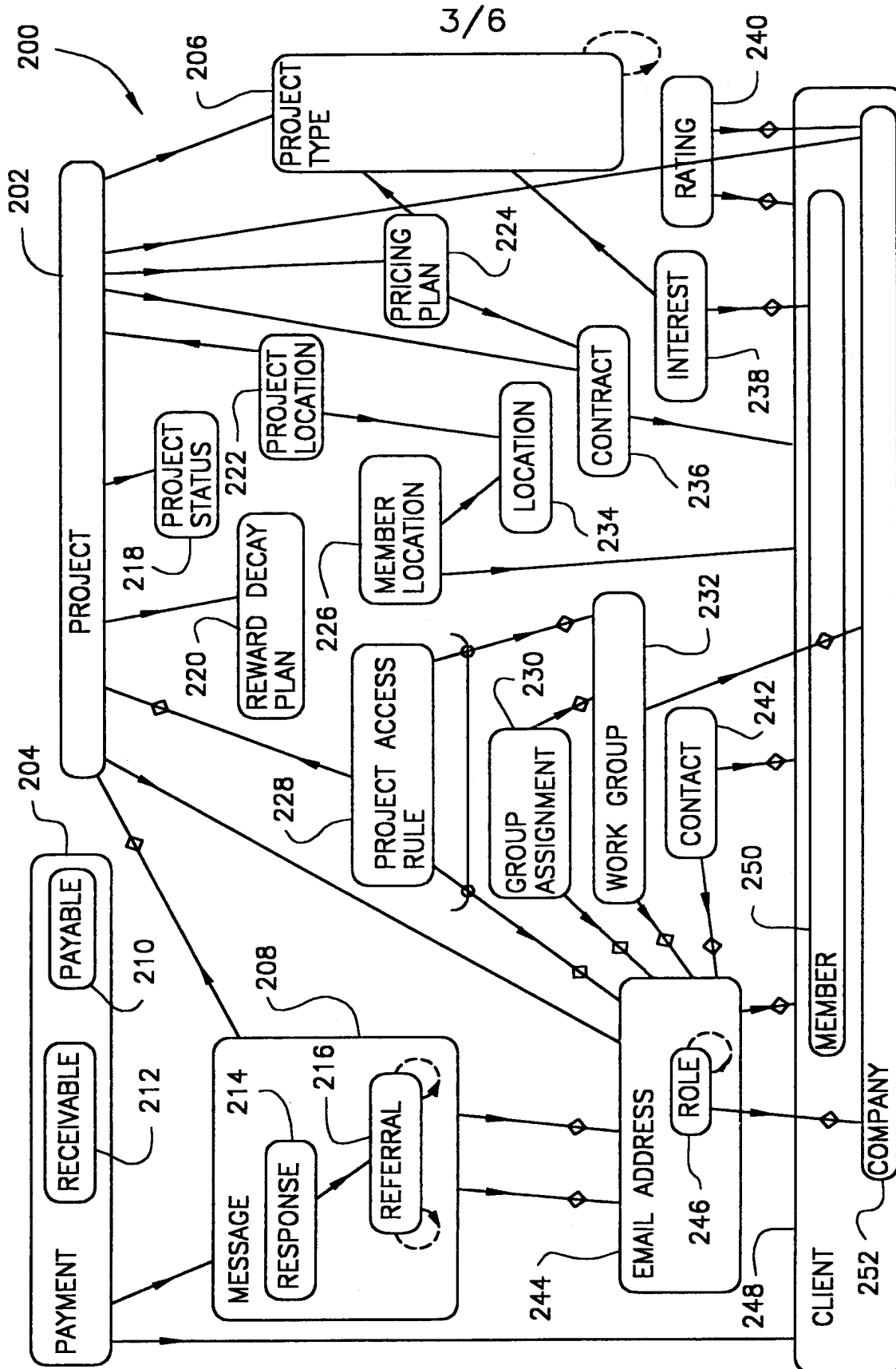


FIG. 2

4/6

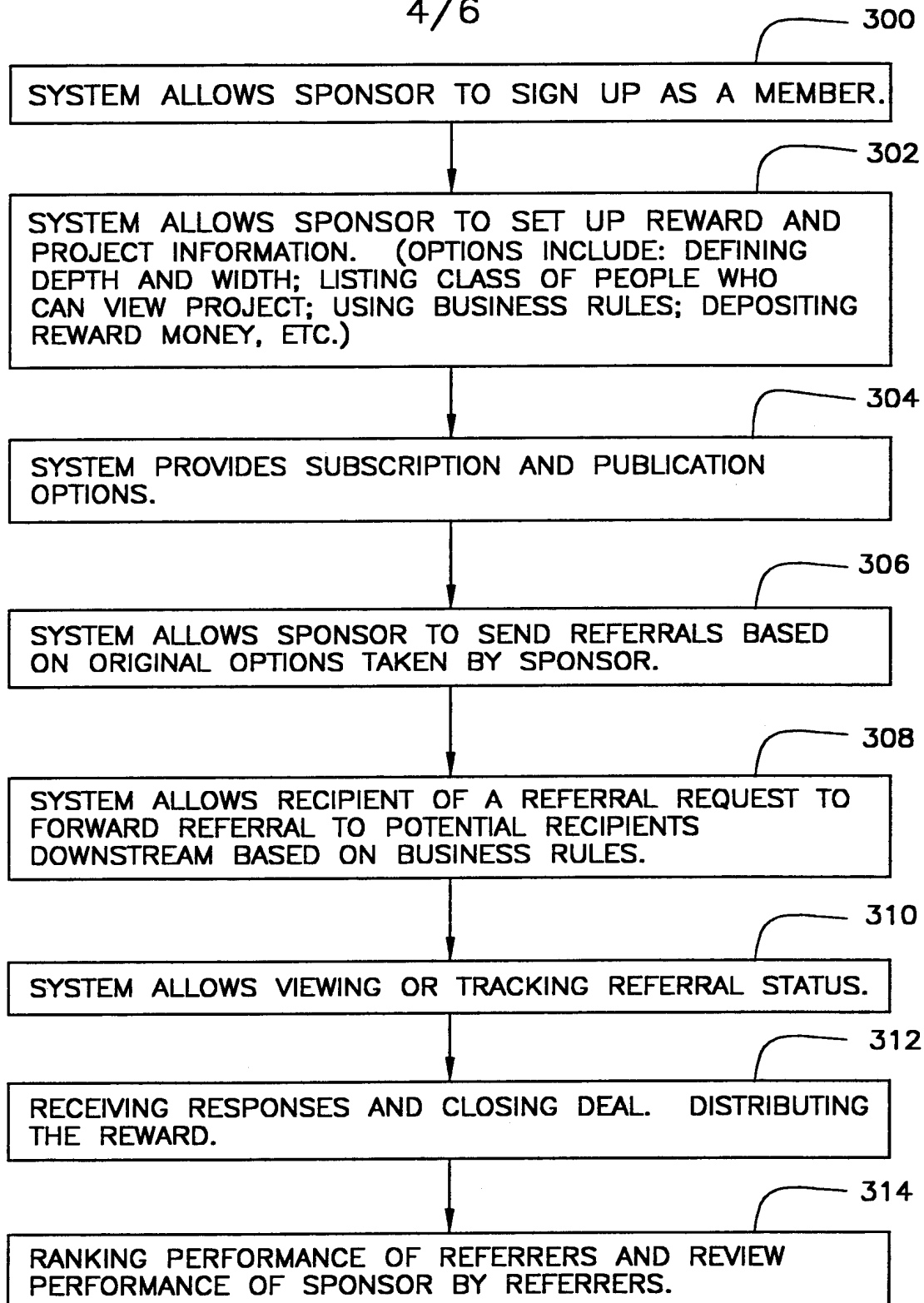


FIG. 3

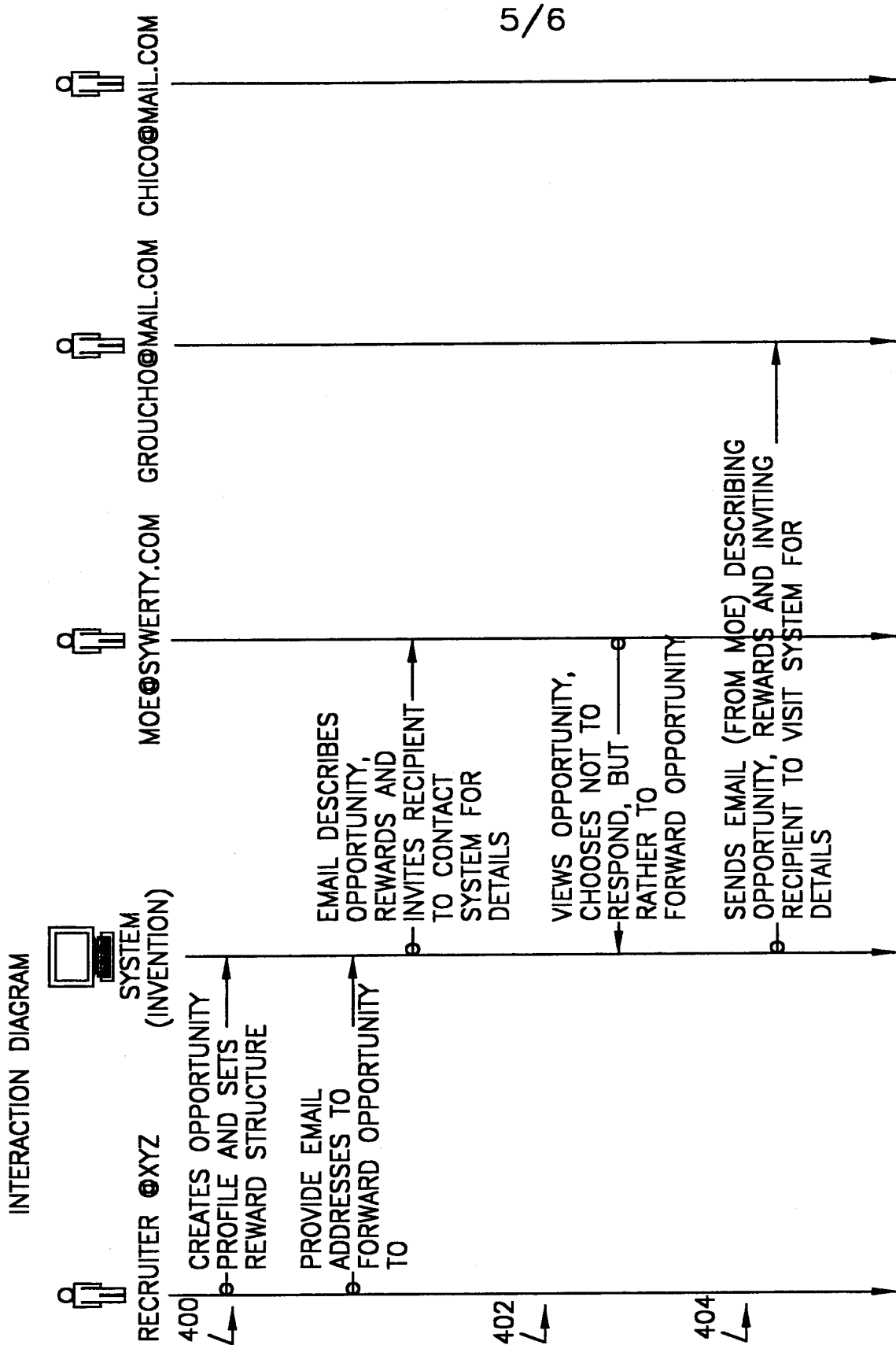


FIG. 4A

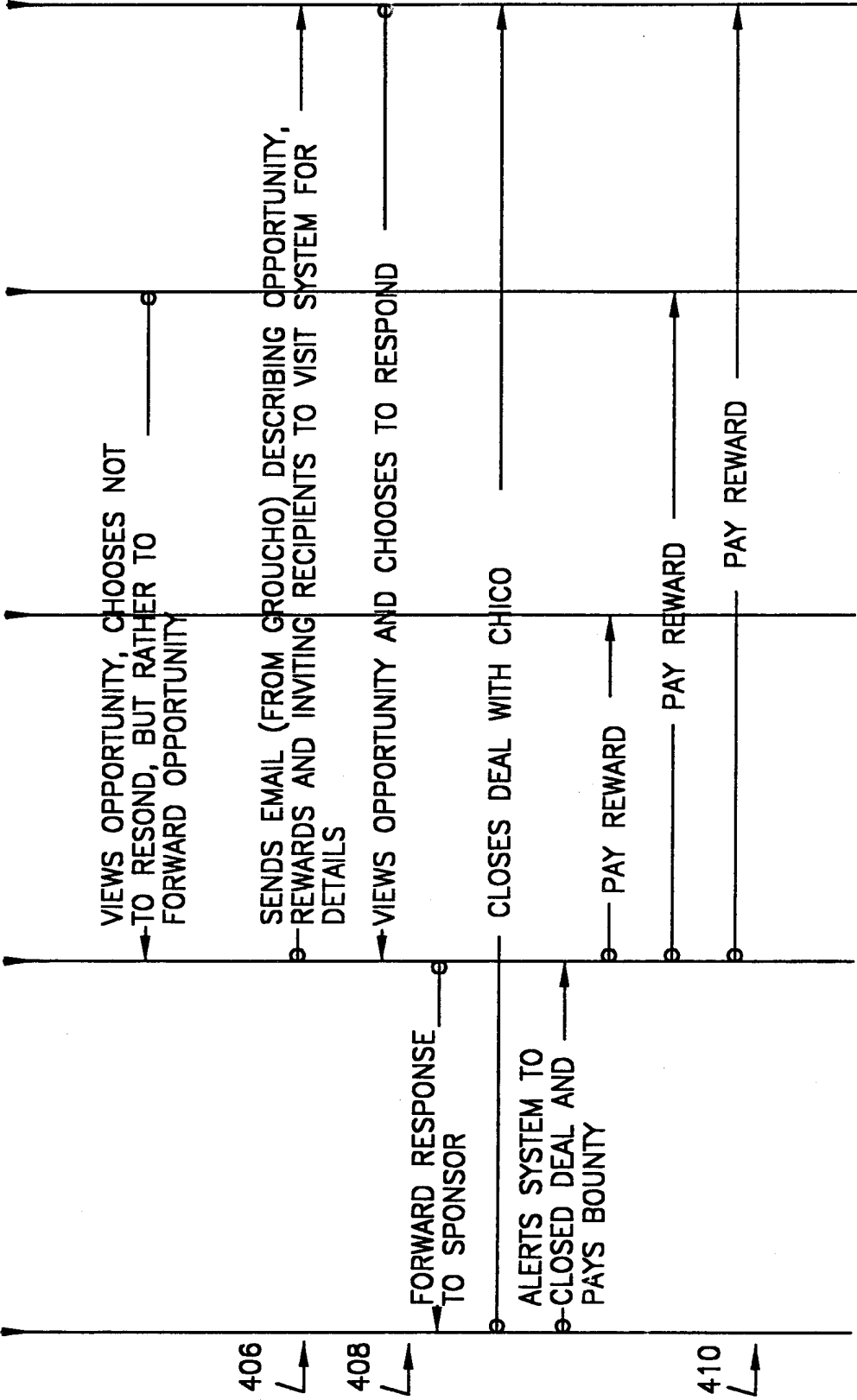


FIG. 4B

# INTERNATIONAL SEARCH REPORT

International application No.  
PCT/US00/33407

## A. CLASSIFICATION OF SUBJECT MATTER

IPC(7) :G06F 17/60; H04M 3/22

US CL :705/8, 10, 14; 379/27

According to International Patent Classification (IPC) or to both national classification and IPC

## B. FIELDS SEARCHED

Minimum documentation searched (classification system followed by classification symbols)

U.S. : 705/8, 10, 14; 379/27

Documentation searched other than minimum documentation to the extent that such documents are included in the fields searched

Microsoft Press COMPUTER DICTIONARY, ENCYCLOPEDIA OF MARKETING

Electronic data base consulted during the international search (name of data base and, where practicable, search terms used)

EAST, WEST, DIALOG, PALM intranet

## C. DOCUMENTS CONSIDERED TO BE RELEVANT

Category*	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
Y,P	US 6,112,181 A (SHEAR et al) 29 August 2000, col. 34, lines 24-65.	1-24
Y	US 5,995,939 A (BERMAN et al.) 30 November 1999, col. 4, lines 3-25.	1-24
Y	US 5,991,733 A (ALEIA et al) 23 November 1999, col. 15, lines 8-58.	1-24
Y	US 5,644,619 A (FARRIS et al) 01 July 1997, col. 20, lines 5-51.	1-24

☐ Further documents are listed in the continuation of Box C. ☐ See patent family annex.

* Special categories of cited documents:	"T" later document published after the international filing date or priority date and not in conflict with the application but cited to understand the principle or theory underlying the invention
"A" document defining the general state of the art which is not considered to be of particular relevance	"X" document of particular relevance; the claimed invention cannot be considered novel or cannot be considered to involve an inventive step when the document is taken alone
"E" earlier document published on or after the international filing date	"Y" document of particular relevance; the claimed invention cannot be considered to involve an inventive step when the document is combined with one or more other such documents, such combination being obvious to a person skilled in the art
"L" document which may throw doubts on priority claim(s) or which is cited to establish the publication date of another citation or other special reason (as specified)	"&" document member of the same patent family
"O" document referring to an oral disclosure, use, exhibition or other means	
"P" document published prior to the international filing date but later than the priority date claimed	

Date of the actual completion of the international search

22 FEBRUARY 2001

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30 MAR 2001

Name and mailing address of the ISA/US  
Commissioner of Patents and Trademarks  
Box PCT  
Washington, D.C. 20231

Facsimile No. (703) 305-3230

Authorized officer

STEVE GRAVIN

Telephone No. (703) 308-7570